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C O N F I D E N T I A L TUNIS 000328

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STATE FOR NEA/MAG (MHARRIS)

E.O. 12958: DECL: 03/09/2017

TAGS: ECON EFIN IZ TS

SUBJECT: TUNISIA AND IRAQ DEBT RELIEF: NO OFFICIAL DEBT?

REF: A. 06 STATE 184738

¶B. 06 STATE 181094

¶C. 06 TUNIS 2178

Classified By: Ambassador Robert F. Godec, for reasons 1.4 (b) and (d).

¶1. (SBU) Per refs A and B, Post transmitted points and diplomatic note to the MFA November 13, 2006. The GOT has not responded to this or several repeated follow-up requests for information about any Iraqi debt to the GOT and/or prospects for debt forgiveness. During a March 8 courtesy call on Abderraouf Basti, Secretary of State for Maghreb, Arab, and African Affairs, Ambassador reiterated the US position on the matter. Basti responded that there were no "official," or "state-to-state" debts. Rather, he said, there were cases in which private companies or entities provided material or services for which they had not been properly compensated. Basti said that these entities were in discussions with appropriate counterparts to resolve their outstanding debts. Without going into further detail, he characterized these talks as "very fruitful." (Note: Ref C reports on the GOT's financial claims against Iraqi Airlines for the long-term storage of four Iraqi Airways aircraft in Tunisia. End Note.)

¶2. (C) Comment: We do not have 100 percent confidence in Basti's response, which he delivered in a somewhat off-hand manner. Basti only assumed the Secretary of State position in late January, so he may still be getting up to speed on the issues. Indeed, in addressing other matters in the course of the meeting (septels), Basti did not appear to have a good command of his portfolio. Thus, Post will continue to seek clarification from GOT interlocutors on the status of any Iraqi debts.

GODEC